



Annual Report
2009-2010



Shri Ved Prakash Gupta

(15th August, 1915 - 20th August 2005)

A True Karmayogi.

*Your integrity, values and vision will continue to guide
and inspire us for all our activities and future growth.*

BOARD OF DIRECTORS**SHRI RAJIV GUPTA**

Chairman

SHRI ARUN MITTER

Director

SHRI SHARAD AGGARWAL

Director

SHRI M. K. MADAN

Director

SHRI ROHIT MADAN

Manager & Company Secretary

AUDITORS

M/S S.N.DHAWAN & CO.
CHARTERED ACCOUNTANTS
C-37, CONNAUGHT PLACE,
NEW DELHI-110 001

BANKERS

BANK OF INDIA
KOTAK MAHINDRA BANK LTD

REGISTERED OFFICE :

MGF HOUSE, 4/17-B, ASAF ALI ROAD,
NEW DELHI-110 002.

PHONE: 011- 41519433, 41520070

E-mail : info@indialease.comWebsite : www.indialease.com**REGISTRAR AND SHARE****TRANSFER AGENTS :**

M/S ALANKIT ASSIGNMENTS LIMITED
ALANKIT HOUSE,
2E/21, JHANDEWALAN EXTENSION,
NEW DELHI-110 055.
PHONE: 011-42541953-63

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NOTICE

NOTICE is hereby given that the Twenty Fifth (25th) Annual General Meeting of the Shareholders of India Lease Development Limited will be held at The Executive Club, 439, Village Shahoorpur, P.O.Fatehpur Beri, New Delhi-110030 on Wednesday the 29th September, 2010 at 2.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Sharad Aggarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri M.K.Madan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration. M/s S.N.Dhawan & Co., Chartered Accountants, retires and are eligible for re-appointment. Certificate under Section 224(1B) of the Companies Act, 1956, has been obtained from them.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an ordinary resolution:-**

DONATION TO CHARITABLE INSTITUTIONS

"Resolved that consent under Section 293(1)(e) be and is hereby accorded to the Board of Directors of the company to contribute from time to time in any financial year to any charitable and other funds not directly relating to the business of the company or welfare of its employees, any amount according to which will, in any financial year, may exceed Rs. 50,000/- or 5% of its average net profit as determined in accordance with the provision of Section 349 and 350 during the three financial years immediately preceding, whichever is greater".

By order of the Board of Directors
For India Lease Development Limited

Place : New Delhi
Date : August 19, 2010

Rohit Madan
Manager & Company Secretary

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 5**

The company is authorized by its articles to make contributions to charitable and other funds not directly relating to the business of the company or the welfare of its employees. By virtue of Section 293(1)(e) of the Companies Act, 1956, the maximum limit upto which such contributions can be made in any financial year is Rs.50,000/- or 5 % of the company's average net profits determined in accordance with section 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater. Section 293(1)(e) permits such contributions in excess of these limits with the consent of the shareholders. Your Board seeks shareholders approval to make any contributions in a financial year upto a limit of Rs.50,000 or 5% of the company's average net profits determined in the aforesaid manner, whichever is greater.

Your Directors commend the resolution under Item No.5 for approval of the shareholders.

None of the Directors is concerned or interested in the resolution.

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST FORTY EIGHT HOURS (48 HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Register of Members and Share Transfer Books of the company will remain closed from Friday the 24th September, 2010 to Wednesday the 29th September, 2010 (both days inclusive).
3. Trading in the shares of your company is in compulsory demat mode. Members who have not yet got their shares dematerialized are requested to opt for the same in their own interest and send their certificates through Depository Participant(s) with whom they have dematerialised account to the Company Registrars and Transfer Agents, M/s Alankit Assignments Limited, having their office at 2E/21, Alankit House, Jhandewalan Extension, New Delhi-110055.
Further Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the company/Registrars and Transfer Agents.
4. Member(s) holding shares in the identical names in different folios are requested to apply for consolidation of the said folios and send relevant share certificate(s).
5. **REGARDING UNCLAIMED DIVIDEND**
 - (i) In accordance with the provisions of Section 205(5) of the Companies Act, 1956, the Company has already transferred Unclaimed Dividend declared for the financial year ended 31st March, 2000 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, NCT of Delhi and Haryana, CGO Complex, Paryavaran Bhawan, Lodhi Road, New Delhi-110003.
 - (ii) In view of the Section 205C of the Companies Act, 1956 read with Investors Education and Protection Fund (Awareness and Protection of the Investors) Rules, 2003, no dividend has been declared after 2000 and as such, there are no unclaimed dividend which is required to be deposited/transferred.
6. Member(s) are requested:-
 - a) To bring their copy of annual report and attendance slip at the time of meeting.
 - b) To quote their registered Folio No(s)/ DPID/Client ID No. in all correspondence.
 - c) Members who held shares in dematerialised form are requested to bring their DPID/ Client ID numbers for easy identification of attendance at the meeting.

By order of the Board of Directors
For **India Lease Development Limited**

Place : New Delhi
Date : August 19, 2010

Rohit Madan
Manager & Company Secretary

LISTING REQUIREMENTS

As required under Clause 49(vi) of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and are eligible for re-appointment.

(a) **Director being re-appointed by rotation (Resolution at Item No.2)**

Name : Shri Sharad Aggarwal
Age & Date of Birth : 44 years (24-11-1966)
Qualification : B.Com, ACA, LLB

Experience in specific financial areas

Shri Sharad Aggarwal is a qualified Chartered Accountant and also holds a law degree. His re-appointment will be quite useful to the company.

Other Directorships

The Motor & General Finance Ltd, Bahubali Services Ltd, Oaykay Forgings Pvt Ltd, Sterling Hotels Pvt Ltd, Jay Vee Leatherite Pvt Ltd, Knit Foulds Pvt Ltd, K.F.Beltings Pvt Ltd, Hamilton Land Developers Pvt Ltd, Atlantic Land Developers Pvt Ltd, Jazz Foods Pvt Ltd, Makro Lease Pvt Ltd.

Committee Membership

India Lease Development Ltd

Audit Committee
 Remuneration Committee

The Motor & General Finance Limited

Audit Committee
 Remuneration Committee
 Shareholders Grievance Committee
 Shri. Sharad Aggarwal holds **Nil** shares.

b) **Director being re-appointed by rotation (Resolution at Item No.3)**

Name : Shri M.K.Madan
Age & Date of Birth : 66 years (27-2-1944)
Qualification : B.Com. FCA.ACS

Experience in specific financial Areas

Shri. M.K.Madan is a qualified Chartered Accountant and Company Secretary, and his experience in finance and secretarial matters will be helpful to the Company.

Other Directorships

MGF Securities Pvt Ltd, Upper India Hire Purchase Companies Association Ltd, MGF Services Ltd, Bahubali Services Ltd, Jayabharat Credit Ltd.

Committee Memberships :

India Lease Development Ltd

Audit Committee
 Remuneration Committee
 Shareholders Grievance Committee

Jayabharat Credit Ltd

Audit Committee
 Shareholders Grievance Committee
 Remuneration Committee

Shri. M.K.Madan holds **Nil** shares

SHAREHOLDERS INFORMATION

Head Office & Registered Office	: MGF House 4/17-B, Asaf Ali Road, New Delhi- 110002
E-mail	: info@indialease.com
Company's Website	: www.indialease.com
Telephone Nos.	: 41519433, 41520070
Fax	: 41503479
Date of Annual General Meeting	: 29 th September, 2010
Time, Day and Venue	: 2.00 P.M. Wednesday at The Executive Club 439, Village Shahoorpur, P.O.Fatehpuri Beri, New Delhi- 110 030.
Day and Date of Book Closure	: Friday the 24 th September, 2010 to Wednesday the 29 th September, 2010 (both days inclusive)
Shares Listed At	: The Stock Exchange, Mumbai Phiroz jee jee bhoy Towers, Dalal Street, Mumbai- 400 001.

The company confirms that it has paid the Annual Listing Fee to the above Stock Exchange for the Year 2010-11.

NOMINATION FACILITY

Shareholders are eligible to file their nominations against shareholdings. Nomination forms are available at the Registered Office i.e. MGF House, 4/17-B, Asaf Ali Road, New Delhi-110 002. Those interested in getting the facility of nomination may write to the Company Secretary for a copy of the prescribed Nomination Form.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Fifth (25th) Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2010 are summarised below for your consideration:-

(Rs. In Lacs)

	Year ended 31 st March, 2010	Year ended 31 st March, 2009
Profit/ (Loss) before taxation, interest, depreciation and provisions	(67.56)	68.02
Interest	(0.47)	(22.17)
Depreciation including Impairment	(21.53)	(32.49)
Profit / (Loss) before provision for non performing assets & tax	(89.56)	13.36
Provision for non performing assets written back	92.31	67.47
Fringe benefit tax	-	(2.88)
Transferred to Statutory Reserves u/s 45I(C) of the RBI Act, 1934	(0.55)	(15.59)
Net Profit	2.20	62.36
Balance b/fd from last year	(2328.99)	(2391.35)
Balance c/fd to Balance Sheet	(2326.79)	2328.99

REVIEW OF OPERATIONS

The company's main thrust is to consolidate its existing operations and in doing so it is concentrating in recovery of dues from the customers. It is a 'Debt Free Company'. The management is confident that with the maximum recovery, the funds generated will be deployed to earn better yield on investments.

DIVIDEND

In view of accumulated losses, your directors have not recommended any dividend for the year under review.

DEPOSITS AND CHANGE OF CATEGORY

There are no outstanding liability towards public deposits. Reserve Bank of India vide its certificate dated 2nd July, 2010 have confirmed the change of category from "A" i.e. Deposit Accepting Non Banking Finance Company to category "B" i.e. Non Accepting Deposits Non Banking Finance Company.

AUDITORS' REPORT**INFORMATION AND EXPLANATIONS/OBSERVATIONS IN THE AUDITORS' REPORT.****A. OBSERVATIONS IN THE MAIN AUDITORS' REPORT AND MANAGEMENT COMMENTS THEREOF.****Auditors' Observations****a) Para 2 -On a Going Concern Basis**

It has been suitably explained in para 2 of Schedule-14 Notes on Accounts.

Para 3(a)

Accounting of Overdue Charges on Hire-Purchase/ Lease Receivables and Bill Discounted, Loans against hypothecation respectively, are accounted for on realisation basis, in view of significant uncertainties instead of on accrual basis.

In accordance with para 8(c) of accounting policy, overdues are consistently accounted for only on realisation basis.

b) Para 3(b)-Non Compliance of Prudential Norms

In view of negative net worth, this has a consequential effect which, inter-alia, means non compliance of the provisions of RBI's prudential norms as regards maintenance of Credit Adequacy Ratio (CAR), Credit/ Investments, etc

Observations in Annexure referred in paragraph 1 of the Auditor' Report (CARO)**c) Para (i)(a) & (b)-Quantitative details of assets on lease**

The management has since carried out physical verification of assets on lease. Confirmation from some lessees has been received.

d) Para 8 of Schedule 14- Notes to Accounts

Where the balances debit/credit are appearing, the same in the ordinary course of business, are at least equal to the amount at which they are stated and as such, no further comments are required.

In terms of RBI Directions, the Auditors have submitted a separate report to the Board of Directors. As the observations on account of negative net worth are general in nature viz, non meeting the requirement of capital adequacy and concentration of credit/investments, the same have been suitably explained hereinabove and have not been responded to separately.

REPORT ON CORPORATE GOVERNANCE

A detailed report on Corporate Governance together with Management Discussions and Analysis Report has been included separately in Annexure 'A' and 'B' respectively which forms part of the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors confirm that:

- i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures from the applicable Accounting Standards;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs for the company as at the end of financial year ended 31st March, 2010 and of the Profit of the Company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The statement of accounts for the year ended 31st March, 2010 have been prepared on a Going Concern Basis.

DIRECTORS

In accordance with the requirements of Section 256 of the Companies Act, 1956 and the Articles of Association of your company, Shri Sharad Aggarwal, Director and Shri M.K.Madan, Director retire by rotation and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

There are no employees in receipt of remuneration which, inter-alia, requires the company to furnish the particulars of employees as required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), Rules, 1975.